

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION

UNITED STATES OF AMERICA,)	
)	
Plaintiff,)	
)	
v.)	Civil Action No. 3:18-cv-00040-HEH
)	
BARNEY A. SQUIERS)	
16233 Days Bridge Road (aka Pirates Cove))	
Orange, Virginia 22960-9143)	
)	
and)	
)	
SUZANNA S. SQUIERS)	
16233 Days Bridge Road (aka Pirates Cove))	
Orange, Virginia 22960-9143)	
)	
and)	
)	
WILDA B. SCHRADE)	
3309 Hemlock Drive)	
Falls Church, Virginia 22042-3351)	
)	
Defendants.)	
)	

COMPLAINT FOR FEDERAL TAXES AND TO FORECLOSE TAX LIEN

The plaintiff, the United States of America, at the request of the Chief Counsel of the Internal Revenue Service, a delegate of the Secretary of the Treasury, and at the direction of the Attorney General of the United States, brings this action to collect federal income tax assessed against Barney Squiers for the year 2013, and trust fund recovery penalty assessments made against Barney Squiers, pursuant to 26 U.S.C. § 6672, representing income and employment taxes that were required to be collected, accounted for, and withheld from the wages of the employees of Performance Auto Crafters, Inc., for the third and fourth quarters of 1999, the first, second, and third quarters of 2000, the third and fourth quarters of 2001, the first, second, and third quarters of 2002, the four quarters of 2003, the four quarters of 2004, the first and third

quarters of 2005, the four quarters of 2006, the first, second, and fourth quarters of 2007, the fourth quarter of 2008, the third and fourth quarters of 2009, and the first quarter of 2010, and to enforce the tax liens associated with those liabilities against certain real property jointly owned by (taxpayer) Barney Squiers and his wife Suzanna Squiers, then transferred first to his wife Suzanna Squiers and then by her to her mother, Wilda Schrade, as described below. In support of this action, the United States alleges as follows:

JURISDICTION AND VENUE

1. The Court has jurisdiction over this action pursuant to 28 U.S.C. §§ 1331, 1340, 1345, and 26 U.S.C. §§ 7402(a) and 7403.

2. Venue is proper in this Court by virtue of 28 U.S.C. §§ 1391 and 1396.

PARTIES

3. The plaintiff is the United States of America.

4. Defendants, Barney Squiers and Suzanna Squiers, are married to each other and reside at 16233 Days Bridge Road (aka Pirates Cove), in Orange, Virginia within the jurisdiction of the Court.

5. Defendant Wilma Schrade is the mother of defendant Suzanna Squiers and resides at 3309 Hemlock Drive, Falls Church, Virginia, within the jurisdiction of this Court.

6. The property to be foreclosed upon is located at 16229 Pirates Cove, Orange, Virginia, within the jurisdiction of the Court. The property is more particularly described as:

All that certain lot or parcel of land, with all improvements thereon and all appurtenances thereto belonging, lying and being in the **Livingston District**, Spotsylvania County, Virginia, lying north of Days Bridge Road, State Route 719, containing **2.324 acres**, more particularly shown and described as **Lot 3** on a certain plat of survey by Joseph E DiMeglio, Land Surveyor, Bell Surveys, Inc., Professional Land Surveying, dated October 19, 2006, revised December 5, 2006, August 25, 2008, September 23, 2008, January 19, 2009, July 6, 2009, January 15, 2014, and March 24, 2014, entitled "Family Division of TM 54(a)-24 and Boundary Line Adjustment Plat TM 54(A)-24 & TM 54(A)-24C Prepared for Suzanna S. Squiers, Livingston District, Spotsylvania County, Virginia", to be recorded in the Clerk's

Office of Spotsylvania County, Virginia, AND BEING a portion of the same land conveyed to Suzanna S. Squiers from Barney A. Squiers and Suzanna S. Squiers, husband and wife, by deed of gift dated December 4, 2008, recorded in the Clerk's office of Spotsylvania County, Virginia, on January 6, 2009, as Instrument Number 200900000206. **Portion of TMS 54(A)-24.**

COUNT I – COLLECT FEDERAL INCOME TAX LIABILITIES

7. On the dates and for the periods set forth below, a delegate of the Secretary of the Treasury of the United States assessed against Barney Squiers and gave notice and demand for payment to Barney Squiers of a trust fund recovery penalty, pursuant to 26 U.S.C. § 6672, representing income and employment taxes that were required to be collected, accounted for, and paid over to the United States from the wages paid to the employees of Performance Auto Crafters, Inc., as follows:

Tax Period	Date of Assessment	Unpaid Balance of Assessment as of 11/20/2017	Accrued Interest as of 11/20/2017	Amount Due as of 11/20/2017
199909	5-25-2006	\$ 5,482.66	\$ 244.91 (I)	\$ 5,727.57
199912	5-25-2006	\$ 12,735.93	\$ 620.04 (I)	\$ 13,355.97
200003	5-25-2006	\$ 12,377.59	\$ 552.91 (I)	\$ 12,930.50
200006	5-25-2006	\$ 6,192.09	\$ 276.60 (I)	\$ 6,468.69
200009	5-25-2006	\$ 13,375.53	\$ 597.49 (I)	\$ 13,973.02
200109	4-20-2009	\$ 1,133.79	\$ 50.65 (I)	\$ 1,184.44
200112	4-20-2009	\$ 9,410.14	\$ 420.35 (I)	\$ 9,830.49
200203	4-20-2009	\$ 12,427.67	\$ 555.15 (I)	\$ 12,982.82
200206	5-25-2006	\$ 12,995.86	\$ 580.52 (I)	\$ 13,576.38
200209	4-20-2009	\$ 10,788.09	\$ 481.91 (I)	\$ 11,270.00
200303	5-25-2006	\$ 2,143.03	\$ 95.72 (I)	\$ 2,238.75

Tax Period	Date of Assessment	Unpaid Balance of Assessment as of 11/20/2017	Accrued Interest as of 11/20/2017	Amount Due as of 11/20/2017
200306	5-25-2006	\$ 17,071.60	\$ 762.59 (I)	\$ 17,834.19
200309	4-20-2009	\$ 12,922.39	\$ 577.25 (I)	\$ 13,499.64
200312	5-25-2006	\$ 22,325.24	\$ 997.26 (I)	\$ 23,322.50
200403	5-25-2006	\$ 13,042.40	\$ 582.60 (I)	\$ 13,625.00
200406	5-25-2006	\$ 18,931.32	\$ 845.66 (I)	\$ 19,776.98
200409	5-25-2006	\$ 23,681.45	\$ 1,057.85 (I)	\$ 24,739.30
200412	5-25-2006	\$ 18,722.67	\$ 836.35 (I)	\$ 19,559.02
200503	5-25-2006	\$ 18,395.13	\$ 821.71 (I)	\$ 19,216.84
200506	5-25-2006	\$ 16.42	\$ 188.70 (I)	\$ 205.12
200509	4-20-2009	\$ 14,649.55	\$ 5,045.64 (I)	\$ 19,695.19
200603	4-20-2009	\$ 286.50	\$ 98.68 (I)	\$ 385.18
200606	4-20-2009	\$ 7,962.46	\$ 2,742.45 (I)	\$ 10,704.91
200609	4-20-2009	\$ 8,612.94	\$ 2,966.51 (I)	\$ 11,579.45
200612	4-20-2009	\$ 19,983.75	\$ 6,882.89 (I)	\$ 26,866.64
200703	4-20-2009	\$ 18,436.62	\$ 6,350.00 (I)	\$ 24,786.62
200706	4-20-2009	\$ 4,085.20	\$ 1,407.05 (I)	\$ 5,492.25
200712	4-20-2009	\$ 7,888.14	\$ 2,716.69 (I)	\$ 10,604.83
200812	4-11-2011	\$ 4,109.26	\$ 475.58 (I)	\$ 4,584.84
200909	4-11-2011	\$ 5,661.72	\$ 655.23 (I)	\$ 6,316.95
200912	4-11-2011	\$ 2,674.55	\$ 309.52 (I)	\$ 2,984.07

Tax Period	Date of Assessment	Unpaid Balance of Assessment as of 11/20/2017	Accrued Interest as of 11/20/2017	Amount Due as of 11/20/2017
201003	4-11-2011	\$ 169.94	\$ 169.42 (I)	\$ 1,638.42
Total				\$ 380,956.70

8. Despite notice and demand for payment, Barney Squiers has failed, neglected, or refused to pay the outstanding trust fund assessments, described above. As a result, there remains due and owing from Barney Squiers, as of November 20, 2017, the amount of \$ 380,956.70, plus statutory additions to tax accruing thereon according to law, and continuing until paid.

9. Based on the (Form 1040) income tax return filed by Barney Squiers, on October 20, 2014 a delegate of the Secretary of the Treasury of the United States assessed against Barney Squiers \$ 7,141.07 of federal income tax, and statutory additions to tax, for the year 2013.

10. Despite notice and demand for payment, Barney Squiers has failed, neglected, or refused to pay the outstanding assessment for the year 2013. As a result, there remains due and owing from Barney Squiers, as of November 20, 2017, the amount of \$ 9,221.55, plus statutory additions to tax accruing thereon according to law, and continuing until paid.

WHEREFORE, the plaintiff, the United States of America, prays as follows:

A. That the Court order and adjudge that Barney Squiers is indebted to the United States, as of November 20, 2017, in the amount of \$ 380,956.70, plus statutory additions to tax accruing thereon according to law, and continuing until paid;

B. That the Court order and adjudge that Barney Squiers is indebted to the United States, as of November 20, 2017, in the amount of \$ 9,221.55, plus statutory additions to tax accruing thereon according to law, and continuing until paid;

C. That the Court award to the United States its costs of prosecuting this action; and

D. That the Court award such other and relief as may be deemed just and proper.

COUNT II – FORECLOSE TAX LIENS OF THE UNITED STATES

11. The United States incorporates and re-alleges paragraphs 1 to 10, above, as if fully set forth.

Transfer of Real Property From Barney Squiers to Suzanna Squiers to Wilda Schrade Was Made Subject to Existing Federal Tax Liens Against Barry Squiers And Should Also Be Set-Aside As Fraudulent Conveyances

12. By reason of the tax assessments described in paragraphs 7 and 9, above, and pursuant to 26 U.S.C. §§ 6321 and 6322, federal tax liens arose on the date of the assessments, and attached to all property and rights to property, then owned or thereafter acquired by (taxpayer) Barney Squiers.

13. By Deed dated September 9, 2004, (taxpayer) Barney Squiers and his wife Suzanna Squiers purchased 6.141 acres of real property at 16233 Days Bridge Road, Orange, Virginia, in Spotsylvania County, Virginia, as tenants by the entirety with full rights of survivorship for consideration of \$ 10.00.

14. By Deed Of Gift dated December 4, 2008, (taxpayer) Barney Squiers and his wife Suzanna Squiers conveyed 6.141 acres of real property referenced in paragraph 13, above, to Suzanna Squiers for no consideration. The Deed Of Gift granting Suzanna Squiers 6.141 acres of real property was recorded in the Clerk's Office of Spotsylvania County, Virginia on January 6, 2009.

15. By Deed of Gift dated April 1, 2014, Suzanna Squiers conveyed 2.324 acres of 6.141 acres of real property referenced in paragraph 13, above, described in paragraph 6, above, to her mother, Wilda Schrade, for no consideration. The Deed Of Gift granting 2.324 acres of real property to Wilda Schrade was recorded in the Clerk's Office of Spotsylvania County, Virginia on April 30, 2014.

16. A Certificate of Satisfaction pertaining to 6.141 acres of real property purchased on September 9, 2004 by (taxpayer) Barney Squiers and his wife Suzanna Squiers was recorded in the Clerk's Office of Spotsylvania County, Virginia on June 15, 2015.

17. The November 4, 2008 conveyance of the real property from Barney and Suzanna Squiers to Suzanna Squiers as identified in paragraph 14 was made subject to pre-existing federal tax liens against Barney Squiers that arose at the time of the assessments on May 25, 2006 as identified in paragraph 7, and therefore the April 1, 2014 conveyance of the real property from Suzanna Squiers to Wilda Schrade identified in paragraph 15 was also made subject to those same federal tax liens, and therefore the federal tax liens arising from the assessments dated May 25, 2006 continue to attach to the 2.324 acres of real property owned by Wilda Schrade and can be foreclosed upon.

18. In addition to the foreclosure of the federal tax liens identified in paragraph 17, the United States seeks to foreclose upon the federal tax liens which arose from the assessments made after May 25, 2006 as identified in paragraph 7, based on setting aside as fraudulent the conveyance of the real property from Barney and Suzanna Squiers to Suzanna Squiers and then to Wilda Schrade because the conveyances were intended to delay, hinder, or defraud the Internal Revenue Service from collecting Barney Squiers' trust fund recovery penalty liabilities as detailed in paragraph 7, or were done at a time when Barney Squiers was insolvent, or which conveyances rendered him insolvent, and were in exchange for insufficient consideration.

Foreclosure Of Tax Liens On Real Property Located At 16229 Pirates Cove

19. Suzanna Squiers is a transferee of the interest of (taxpayer) Barney Squiers in 2.324 acres of real property located at 16229 Pirates Cove, Orange, Virginia, transferred to her by Barney Squiers and Suzanna Squiers, referenced in paragraphs 13 and 14, above.

20. Wilda Schrade is a transferee of the interest of (taxpayer) Barney Squiers in 2.324 acres of real property located at 16229 Pirates Cove, Orange, Virginia, transferred to her by Suzanna Squiers, referenced in paragraph 15, above.

21. By virtue of the tax assessments made against Barney Squiers described in paragraphs 7 and 9, above, federal tax liens attached to all property and rights to property owned or thereafter acquired by Barney Squiers, including 2.324 acres of real property

located at 16229 Pirates Cove, Orange, Virginia, more fully described in paragraph 6, above. The federal tax liens against Barney Squiers attached to and followed 2.324 acres of real property transferred by Barney Squiers and his wife, Suzanna Squiers, first, to Suzanna Squiers, and then by Suzanna Squiers to her mother, Wilda Schrade. The United States is entitled to foreclosure of its federal tax lien against said 2.324 acres of real property, and sale of said property, with 50% of the net proceeds of the sale (after payment of the expenses of sale), to be applied to the outstanding tax liabilities assessed by the Internal Revenue Service against Barney Squiers on May 25, 2006, as set forth in paragraph 7, above, and 50% to be paid to (nontaxpayer) Suzanna Squiers.

22. To the extent proceeds remain from the 50% of Barney Squiers' share of the proceeds after payment of the tax liabilities identified in paragraph 21, the remaining proceeds should be applied to the tax liabilities assessed after May 25, 2006 based on the setting aside of the conveyances identified in paragraph 18, because Barry Squiers will acquire ownership in the real property to which the federal tax liens assessed after May 25, 2006 will attach, and to the extent any excess proceeds remain after payment of those tax liabilities, it should be paid to Barry Squiers.

WHEREFORE, the plaintiff, the United States of America, prays that:

A. The Court order and adjudge that by virtue of the tax assessments made by the Internal Revenue Service against Barney Squiers, the United States has valid and subsisting federal tax liens on all property and rights to property owned or acquired by Barney Squiers, including the 2.324 acres of real property located at 16229 Pirates Cove, Orange, Virginia, described in paragraph 6, above;

B. The Court order and adjudge that the federal tax liens attaching to the subject real property be foreclosed upon and sold, according to law, free and clear of any right, title, lien claim, or interest of any of the defendants herein, and that 50% of the net proceeds of the sale (after payment of the expenses of the sale) be applied to the outstanding tax liabilities assessed by the Internal Revenue Service against Barney Squiers as set forth in

paragraph 7, above, with any excess paid to Barney Squiers, and that the other 50% be paid to (nontaxpayer) Suzanna Squiers;

C. That the Court award to the United States its costs of prosecuting this action; and

D. That the Court award such other relief as may be deemed just and proper.

Date: January 17, 2018.

DANA J. BOENTE
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